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TAGS: MNUC KNNP AU

SUBJECT: AUSTRIANS PROMOTE JOINT STATEMENT OF CONCERN AT

IAEA INDIA SAFEGUARDS VOTE

REF: VIENNA 1058

Classified By: A/DCM Dean Yap. Reason: 1.4(b) and (d).

Summary

11. (C) Pushed by long-standing principle and short-term political calculations, Austria, with Norwegian support, is seeking support from "like-minded" states to agree to a statement of concerns about the terms of the IAEA Safeguards Agreement to be approved August 1. The Austrians do not believe this endangers consensus, but Ambassador and A/DCM have stressed that we see such a statement as counterproductive in the IAEA discussion and a likely further burden on subsequent approval of an exception in the Nuclear Suppliers Group (NSG). End Summary.

Statement of Concerns

- $\P2$. (U) The statement, drafted by the Austrian MFA's Disarmament Department, offers a general welcome for an IAEA Safeguards Agreement with India, but notes three specific concerns about the text: 1) The lack of a definition of what "corrective measures" India might take in the event of a disruption of foreign fuel supplies; 2) The possibility that linking the safeguards to other agreements might mean that they are not applicable in perpetuity; and 3) The link of entry-into-force with a later Indian decision and the lack of inclusion of a list of facilities that will be covered. The statement ends by saying that signatory countries are not breaking consensus on the Safeguards Agreement, but noting that the decision in the IAEA does not prejudge the subsequent decision to be taken in the NSG.
- 13. (C) According to information from the U.S. Mission to UNVIE and the French Embassy, the Norwegian Mission hosted a meeting on July 31 for a number of potential signatories, including Sweden, Finland, Germany, Japan, Ireland, Denmark, New Zealand, and Spain. MFA IAEA Unit Chief Andreas Launer (protect) confirmed that there was reportedly no final decision by any particular state to associate itself with the statement. He was working on a revised draft to be reviewed at a meeting of the "like-minded" early August 1. Launder was confident that 10-15 states would eventually associate themselves with it, adding that he expected even more critical national statements from other BoG members.

Embassy Action

14. (C) In response to information about the statement, Ambassador spoke in the late morning with MFA State Secretary Hans Winkler. He stressed that such a statement by several nations could burden the atmosphere of the discussions, possibly undermining consensus or provoking a call for a vote

- if made before the Agreement was adopted. He asked the Austrians to work with the Norwegians to drop the project. Winkler promised nothing, but did acknowledge that the timing of the statement could have an effect. He noted as well that, as he had explained to U/S Burns on July 17, Austria had greater concerns about the NSG process and would expect a serious discussion of the terms of an NSG exception.
- 15. (C) In a brief follow-on conversation with the Ambassador, Winkler reported that Austria did not believe the statement would block consensus and he described the statement as "the price we have to pay for going along "with the Agreement. Winkler noted that the GoA was under particular pressure from the Green Party to reject the deal.
- 16. (C) In conversation with Unit Chief Launer, A/DCM noted that Winkler had made no mention to A/DCM Burns of a group statement. Launer said the idea had emerged during consultations among states with similar concerns and he said that the GoA was committed to the project, in part because of domestic political considerations. Launer though somewhere between 10 and 15 states would join in supporting the final statement.
- 17. (C) A/DCM also spoke with French Embassy DCM van Rossum, who, with his Ambassador, had met with FonMin Plassnik's Acting Chef de Cabinet in the morning. Van Rossum said that the Austrians had definitively rejected joining a joint EU statement of support for the Agreement. He cited two reasons: a principled objection to the idea that there should be an EU consensus on nuclear matters; and their concerns about the India deal itself. The Austrians ad also told the French they had Irish support for this position. Van Rossum

said that, given this attitude, he considered the possible EU statement a dead letter. Van Rossum was also pessimistic about the possibility of turning off the "like-minded" statement. They did not se it as a grave threat to reaching agreement by consensus, but were concerned about the impact on the NSG debate.

Comment

18. (C) As in their handling of the cluster weapons issue, the Austrians appear impervious to U.S. arguments. We take at face value their claims that for both reasons of principle and domestic politics they are committed to the statement. (There has been much speculation that the conservatives (who run the Foreign Ministry) would like to form a coalition with the Greens after the 9/28 elections.) The damage they can do in the IAEA appears limited; this is not the case in the NSG. The USG will need a well-developed strategy for dealing with the Austrians and "like-minded" in that forum. While little would be gained by further high level interventions in the IAEA debate (Embassy understands that U/S Burns has also discussed the issue with State Secretary Winkler), senior official and even cabinet-level intervention may prove necessary in the run-up to the NSG debate.

Girard-diCarlo